

The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

ICS 77-2146/a
27 April 1977

MEMORANDUM FOR: See Distribution

FROM : [REDACTED]
Director of Performance Evaluation
and Improvement

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SUBJECT : Draft Paper: "The Roles of the DCI . . ."
(PRM-11, Task 2)

TREA has not reviewed.
Processed IAW CIA TREA
arrangement letter dtd
4/11/08.

1. Attached is a complete draft of the subject paper,
sans certain graphics being prepared for later inclusion.

2. Please submit your comments, criticisms, proposed
additions or deletions, etc., by close of business Wednesday,
4 May 1977. Address them to my new quarters: Room 3N07

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gray/green. Given probable confusions attending our move,
it would be most desirable to have comments delivered by
courier.

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3. It is highly improbable that this paper can be
fully coordinated and agreed. My aim is to correct factual
errors and reflect significant differences of view. Many
comments on this paper could be very useful in preparing
responses to other parts of PRM-11. Please, therefore, give
adequate reasoning for any recommended changes, deletions,
or additions (other than editorial); the reasoning is as
likely to get in as the proposed fix. Unless you instruct
otherwise, I would like to identify the source of such
comments where it would help the intended audience to better
understand the Community.

DIA, OSD, STATE, JCS,
NAVY, USAF reviews
completed

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Attachment:
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FBI REVIEW COMPLETED

NSC REVIEW
COMPLETED, 6/26/2003

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NRO review(s) completed.

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Impossible to Determine

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The Roles of the DCI and
U.S. Intelligence:
An Organizational Analysis

- I. Introduction
- II. Basic Criteria for Organizational Judgment
- III. The Roles of the DCI
 - A. Principal Advisor to the President and the NSC on Foreign Intelligence Affairs
 - B. Producer of National Intelligence
 - 1. National Intelligence Defined
 - 2. National Intelligence Vehicles
 - 3. Performance Evaluation
 - C. Leader of the Intelligence Community
 - 1. Current Collection Management: The Requirements and Priorities System
 - 2. Requirements, Planning, Programming and Budgeting Intelligence for the Future
 - D. Head of CIA
 - E. Protector of Intelligence Sources and Methods
 - F. Participant in U.S. Foreign Counterintelligence Policies and Activities
 - G. Guarantor of Propriety
 - H. Coordinator of Liaison with Foreign Intelligence Services
 - I. Spokesman to Congress
 - J. Public Spokesman

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IV. Summary Assessment

A. Propriety

B. Effectiveness

C. Efficiency

1. Current Collection, Requirements,
Priorities and Tasking
2. Assembling Resources for the Future:
Programming, Budgeting, and Other
Management Powers

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I. Introduction

In PRM/NSC-11, the President directed a thorough review of the missions and structure of US intelligence entities with a view to identifying needed changes. As part of this review, the Director of Central Intelligence (DCI) was directed to analyze his own role, responsibilities, and authorities. This report responds to that task.

Intelligence can be thought of as a service industry in government, a diversity of organizations serving a variety of customers with varying needs. At the very origins of post-war US intelligence, Congress and the President responded to a strongly perceived need to create some degree of unity amid this diversity. The Office of the DCI, and under him the Central Intelligence Agency (CIA), were created to afford a degree of unity -- as well as some independence from the policy process -- with respect to information and judgment on intelligence questions of national importance. In the intervening years, the size and diversity of US intelligence has grown. But so also have the pressures for unity amid diversity. As the nation's senior, full-time intelligence functionary, the DCI has been the focus of these pressures. He is the President's

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principal advisor on foreign intelligence, and national intelligence of preeminently Presidential concern is produced under his authority. He has come to preside over Community mechanisms that decide how to use major technical collection capabilities on a day-to-day basis. Since the November 1971 directive of President Nixon, he has been increasingly expected by the President and the Congress to be the guiding authority with regard to programs and fiscal resources of US intelligence entities specified as national.

The role of the DCI is anchored in a direct line of authority from the President and his advisory body, the National Security Council (NSC), to the DCI and the CIA. This line originated with the office of the DCI and is unambiguous. Surrounding this direct line, however, are a host of vital relationships with other entities of the Executive Branch which generate and receive intelligence. These other relationships do as much to shape the role of today's DCI as does his line command of CIA. For many years CIA has itself been highly dependent on them. In recent years, they have come to strain the DCI's relationship with CIA.

Of these other relationships, that with the Department of Defense (DOD) is the most significant and involved, strongly influenced by the fact that the Secretary of Defense, by virtue of his place in the National Command Authority, has a similar but quite separate direct line of authority from the President.

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Characterizing this relationship with the DOD goes a long way toward defining the role of today's DCI. It shall be treated further in following sections. Here, it should be noted that:

a. The DOD consumes the greatest volume of intelligence from the Community of agencies over which the DCI has responsibility. Its needs for intelligence approach those of the entire government in scope and variety. Many of its needs arising from force planning and operational action responsibilities are large and unique.

b. Much of the raw intelligence on which the performance of the DCI as intelligence producer depends is collected and processed by intelligence elements within the DOD.

c. Defense intelligence production entities, in addition to supporting DOD consumers, play a major role in the development of national intelligence judgments through the National Foreign Intelligence Board (NFIB) and national estimates. In some areas of analysis, their contributions are unique.

d. [REDACTED]

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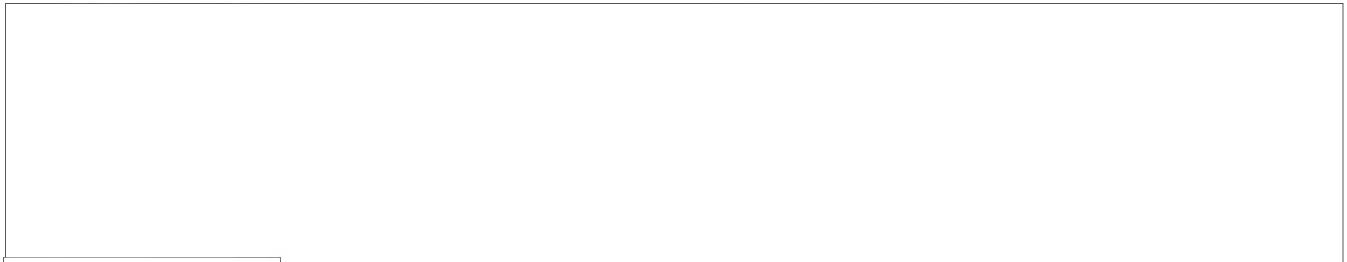
is with the intelligence authorities of this department that the DCI and his Community Staff must interact most

intensely to develop the consolidated NFIP and budget for which he is responsible.

e. It is in the relationship with DOD that the interwoven complex of national, departmental, and tactical intelligence needs and capabilities arises most sharply to complicate the definition of the DCI's role.

f. In the event of war, and even in some peacetime situations, the DCI's role could conflict with that of the Secretary of Defense.

Although not as ramified, the DCI's relationship with the Department of State is also vital. Foreign Service reporting -- a form of collection not formally identified as intelligence -- makes a major contribution to political and economic intelligence. 25X1



25X1 [redacted] State is also a heavy consumer of foreign intelligence, and its Bureau of Intelligence and Research (INR) both contributes to national intelligence judgments and produces unique political analyses.

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Small in size and specialized in interest, the intelligence elements of the Treasury Department, Energy Research and Development Agency (ERDA), and Federal Bureau of Investigation (FBI) flesh out the formal intelligence relationships of the DCI's Community. They and the departments they serve have increased in importance as intelligence has had to diversify into new areas of international economics, nuclear proliferation, terrorism, and drug control.

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The purpose of this report is essentially to describe and assess the unifying roles of the DCI, along with other, in some respects conflicting, roles which he has. Such an assessment of the roles of the DCI is essential to deciding anew the more basic questions:

- a. What degree, extent, and kind of unity should be sought in the inherent diversity of US intelligence?
- b. Who should be responsible for it and with what powers?

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II. Basic Criteria for Organizational Judgment

In understanding or structuring any management system, a first task is to establish the functioning spheres of responsibility and authority, and their limits -- essentially how the cloth is divided. The second task is to establish how and to what extent that cloth is sown back together in order to overcome the negative aspects of necessary divisions of responsibility and to make the parts function as a whole. This is a large challenge for US intelligence because of institutional and functional diversity and the countervailing necessity that the parts interact as a whole.

One approach frequently used to rationalize Community structure is to argue distinctions between national, departmental, and tactical intelligence. This tripartite formula arises largely from the relationship of the DCI and the DOD, and is reflected as well in the intelligence-related functions of other departments, e.g., in the reporting of Foreign Service Officers or Treasury attaches. This formula has serious weaknesses and frequently confuses more than it clarifies. Defining the terms usually obliges use of other terms left undefined. For example, it is said that national intelligence is that intelligence needed by the President, the NSC, and senior US officials to make national policy decisions. But what are national policy decisions? They are decisions those

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officials want and are able to make; they frequently reach deep into the affairs of departments and can dictate the tactics of military and diplomatic actions.

The essence of the organizational problem in intelligence is that these concepts overlap extensively in meaning, at least some of the time. The needs of consumers overlap. The President is always interested in broad assessments of Soviet foreign and military policy. But, in a crisis at sea, he is likely to be interested in the exact location of specific naval combatants, a seemingly tactical issue. By the same token, a field commander or foreign mission chief needs broad strategic assessments, as well as tactical information. The uses to which a given intelligence fact or judgment can be put also overlap in the tripartite formula. An assessment of the hardness of Soviet missile silos, for example, can be of direct value to the operational planner of strategic strikes, to the force planner, to strategy and national policy planners, and to the arms controller; the President is likely to be interested in all these applications. The organizations and systems that collect intelligence data also overlap the categories of national, departmental, and tactical. This is particularly true with emergent space-based reconnaissance systems that may

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Thus, the key organizations and systems of US intelligence can or do play extensively overlapping roles at different times. Although only imprecisely, one can distinguish among primary and secondary missions of major organizations in terms of the national, departmental, and tactical formula. But this only resolves the easy cases, leaving a large middle ground for argument and a poor basis for organizational judgment.

Organization is about management, and management is about basic purposes and standards of performance. Organizational judgment must be based on a clear understanding of basic performance criteria that do or should govern US intelligence. Three such criteria are propriety, effectiveness, and efficiency.

Propriety demands that US intelligence be conducted in conformity with the legal and political standards of our country as interpreted by proper authority. In today's conditions, propriety may tend to conflict with effectiveness and efficiency by restricting certain means of collecting or using intelligence or forbidding the collection or use of certain kinds of intelligence. It tends to conflict with intelligence requirements for secrecy on which effectiveness and efficiency depend. Assuring the propriety of US intelligence in appropriate balance with conflicting considerations is not essentially a matter of organization, although clear lines of command and management responsibility ease this task. This is essentially a matter of:

- a. establishing a sound environment of law and regulations;
- b. establishing sound oversight or policing mechanisms within and outside intelligence organizations; and
- c. cultivating appropriate professional and management values within intelligence entities.

Establishing the demands of propriety on intelligence and assuring that they are met is a matter demanding careful thought and high-level decision. But because few organizational issues are raised, this subject will not be treated extensively in this report (see pp. 90).

The concept of effectiveness in intelligence management is output or product oriented. It is, therefore, preoccupied with consumers and with how well they are being served -- with who the consumers are, what they need, when they need it, and why they need it. As already indicated, US intelligence serves a great variety of consumers with a great diversity of needs. Within the Executive Branch, they can be arrayed in terms of the following rough hierarchy:

- a. the President, the NSC, and Cabinet-level decisionmakers; those who decide the policies of the Administration on foreign, military, arms control, and foreign economic matters, and on crisis management.
- b. policy and strategy planners; option developers; force posture, major program, and budget developers; planners of negotiations; those who present the Presidential

and NSC level with structured choices on broad policy issues and crisis options.

c. central implementers of policy and operational planners in foreign, military, and foreign economic areas.

d. field and tactical decisionmakers; policy or plan implementers, e.g., diplomats and military commanders.

These kinds of intelligence consumers are found, of course, in the main departments of the US national security establishment: the Executive Office of the President and the NSC Staff, State, Defense, the Arms Control and Disarmament Agency (ACDA), and, to a lesser extent, in most other departments and several regulatory agencies. One must also count Congress as a substantial consumer of intelligence, and, to a degree, the public, which receives a substantial amount of its information about events overseas, at least about the Communist world, indirectly from US intelligence. Finally, because it must store up information and analysis to meet future or unexpected needs, intelligence is itself a major consumer of intelligence end products.

But service to the policymaking entities of the Executive Branch is the measure of effectiveness in intelligence. Their needs for intelligence are without limit in principle and constantly growing in practice. They touch upon all areas of the globe and embrace most fields of human knowledge. It should also be noted that very few consumers of intelligence have any direct responsibility for or even contact with the management or allocation of intelligence resources. For most consumers at

all levels, intelligence service appears as a "free good," however satisfactory or unsatisfactory the supply.

Effective service to intelligence consumers dictates a number of organizational principles:

a. The service or output end of intelligence must be highly diversified and relatively specialized to meet the diverse special needs of consumers. This demands specialized intelligence production support to departments, agencies, subcomponents, commands, etc. -- size, scope, and level depending on the case. The Defense Intelligence Agency (DIA), INR, the [redacted] and ERDA's intelligence element are examples of the varying levels of support necessary to meet the specialized needs of departments.

b. The President, the NSC, and, for that matter, all other major consumers need some source of intelligence that is independent of policy institutions and broadly competent. This principle justifies CIA's role as a producer of finished intelligence.

c. To the extent practicable and consistent with security, the system must fully share information within itself. All production entities in a given subject area should share the same data and analysis.

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d. The Community must have the means to come together to render a collective judgment or disciplined disagreement on vital intelligence issues. This is essentially what national estimates and other interagency products have been intended to do.

Of course, effective intelligence support to consumers depends on a great many considerations other than organizational structure. But the structure for producing intelligence within the US Government must reflect the above principles to be effective at all.

The criterion of efficiency in US intelligence is concerned with resources, the processes whereby they are employed, and their impact on production. After two decades of "organic growth" during the Cold War, concern for efficiency in Community-wide resource management is a comparatively recent phenomenon, accompanying a general skepticism about national security spending and a downturn over the last half-dozen years in real outlays on intelligence. Critical scrutiny of intelligence behavior by government and the public has intensified the concern with efficiency in the last three years. In the 1970s, two Presidential initiatives relating to Community authority structure, in 1971 and 1976, were both wholly or partly directed at improving the efficiency of Community resource management.

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Efficient management of intelligence resources proceeds in two connected dimensions. Existing resources must be optimally deployed and operated to meet existing intelligence needs according to a priority scheme that managers can base predictions on but that is still flexible. At the same time and largely by the same set of managers, decisions must be made as to what magnitude and mix of resources should be mobilized for the future. How these two kinds of decisions are reached in the Intelligence Community will be discussed in the next section (see pp. 39). Again, however, some attempt to state first principles can help one to understand and judge present arrangements.

Intelligence resource management is largely a matter of managing collection and processing resources, because that is where most of the money and manpower are. Many collection assets are developed to gain broad access (e.g., a broad area imaging system) or potential access (e.g., an agent with a promising future or a regional clandestine posture). Broad access systems require extensive selection and processing for useful data, all of which can rarely be captured.

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Potential access capabilities may or may not yield as anticipated. Moreover, intelligence is a form of conflict. Those managing intelligence resources are in reality doing battle with others in the world whose main aim in life is to frustrate the formers' efforts. These conditions challenge the quest for efficiency, but should induce a certain modesty in one's goals.

In terms of structure, efficient management of current resources against current needs means giving control to the party with the incentive to seek and the capability to approximate the optimal allocation. To the extent intelligence collection and processing resources are expensive and scarce, relative to perceived needs, there is a tendency to centralize control. But other factors limit such centralization of control. Control may need to be contingent on changing conditions in the case of capabilities with varied application. Thus arises the question of shifting control of certain national collection assets from the DCI in peace to military authorities in war. Some collection capabilities, such as tactical reconnaissance organic to combat forces, are justified solely for the contingency of war support to those forces and

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must be controlled and subordinated accordingly. Some degree of decentralization is reasonable in intelligence processing (e.g., photo interpretation, signals analysis, document translation) to achieve focus and promptness in the service of analytic users.

Assigning responsibility for programming future intelligence resources for efficient satisfaction of future needs is essentially a matter of deciding what should be traded off against what, to maximize what value. What should a given program element compete against in order to justify itself? And for what goals? Desirable multipurpose capabilities may have to compete simultaneously in several trade-off and value markets. This logic would insist that the DCI and the main departmental custodian of intelligence assets, DOD, should be running materially different resource trade-off markets. The DCI should be expected, in the main, to trade off intelligence resources against other intelligence resources; the DOD, on the other hand, should generally be expected to trade off intelligence resources against military forces and support programs.

Here it should also be noted that the care and incentives applied to the trade-off of interest may vary with the size of the intelligence package relative to the money market in which

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it competes. The DCI market place is 100 percent intelligence. The DOD market place is less than 5 percent intelligence.

Any system for allocating intelligence resources must balance contending claims from many users of intermediate and final intelligence products with a central authority capable of resolving disputes in a rational manner. It must also balance rigorous assessment of costly initiatives with enough flexibility or permissiveness to permit initiatives to be pursued in the face of uncertainty.

III. The Roles of the DCI

The only responsibility specifically assigned to the DCI by statute is the charge in the National Security Act of 1947 that he "shall be responsible for protecting intelligence sources and methods from unauthorized disclosure." But the Act also designates the DCI as the head of the CIA, so the duties that the Act gives to the CIA are, in practice, DCI responsibilities. The DCI's roles are an assemblage of responsibilities, powers, policies, actions, and implementing institutions which have evolved over the past three decades. This section examines ten key roles of today's DCI. They are:

- a. Principal advisor to the President and the National Security Council (NSC) on foreign intelligence affairs;
- b. Producer of national intelligence;
- c. Leader of the Intelligence Community;
- d. Head of CIA;
- e. Protector of the security of intelligence sources and methods;
- f. Participant in US counterintelligence policies and activities;
- g. Guarantor of the propriety of foreign intelligence activities;

- h. Coordinator of liaison with foreign intelligence services;
- i. Spokesman to the Congress on foreign intelligence;
- j. Spokesman to the public on foreign intelligence.

In discussing each role, an attempt will be made to identify its basis in law and executive order; explain what the role consists of and what organs are involved; describe its problems, shortfalls, and tensions; and explore, where relevant, its implications for Community structure.

III. A. Principal Advisor to the President and the NSC on Foreign Intelligence Affairs

This role derives from Section 102 of the National Security Act of 1947 which defines the duties of CIA and, thereby, those of the DCI to the NSC and the President:

"(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council --

(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities."

In NSCID 1, President Truman made the DCI his principal foreign intelligence advisor, and Executive Order 11905 reaffirms that the DCI shall "act as the President's primary advisor on foreign intelligence . . ." [Section 3(d)(iv)]

The role of the principal advisor includes:

a. Presentation and discussion of intelligence in meetings of the NSC and its committees, now the Policy Review Committee (PRC) and the Special Coordination Committee (SCC), and with the President directly;

- b. Advising on sensitive intelligence operations in the SCC and with the President directly; and
- c. Advising on intelligence policy and resources generally in the NSC arena.

As an advisor to the NSC, rather than a statutory member, and by the traditions of intelligence, the DCI is not a formal participant in formulating and deciding US national security policy. But the distinction between intelligence advice and policy counsel in small, high-level debates can become blurred, especially during crisis situations. Some DCI's have been relatively direct participants in the policy process at the NSC level, others more distant in their advisory role. The way this role is played depends in large measure on the personal relationship of the DCI with the President and other senior members of his Administration.

As an advisor on substantive intelligence, the DCI draws his main support at present from his staff of National Intelligence Officers (NIOs) and the Intelligence Directorate of CIA. But other analytical components of the Intelligence Community may be the source of information on the subject at hand. Non-CIA elements of the Community fear to some extent that the DCI's personal intelligence input to high-level

policy deliberations is too much a monopoly of CIA by virtue of the DCI's line relationship with CIA. At the same time, State and Defense elements of the Community can have a direct influence in this arena by informing the views of the Secretaries of State and Defense and the Chairman of the Joint Chiefs of Staff.

Especially as it is linked with a responsibility for substantive intelligence production, the DCI's role as principal advisor has important implications for Community structure. It makes him the senior, full-time functionary of the Executive Branch in the area of foreign intelligence. It places an officer with executive responsibility over a key intelligence agency and substantive responsibility for any intelligence issue of top-level interest in direct contact with the President, not reporting through a Cabinet member. To the extent there is perceived a need for someone to organize and manage the intelligence affairs of the US government as a whole, there is a natural tendency to look to the DCI. This tendency has been manifest in the President's November 1971 directive, Executive Order 11905 of 1976, and Congressional sentiment.

III. B. Producer of National Intelligence

The DCI's role as producer of national intelligence originates with the duty given the CIA in the National Security Act of 1947 to "correlate and evaluate intelligence relating to the national security" [Section 102(d)(3)]. NSCID 1, effective 17 February 1972, lists as one of the four major responsibilities of the DCI: "Producing national intelligence required by the President and other national consumers" [Para 3. a. (2)]. Executive Order 11905 states that the DCI shall "provide him (the President) and other officials in the Executive Branch with foreign intelligence, including National Intelligence Estimates," and shall "supervise production and dissemination of national intelligence" [Section 3(d)(1)(iv)].

1. National Intelligence Defined

Defining this DCI role often becomes mired in a fruitless effort to define national intelligence as distinct from other forms, such as departmental or tactical. In principle, national intelligence is not distinct from these other forms but a whole that is greater than the sum of the parts. Its hallmarks are that it:

- a. Addresses the needs of the President, the NSC, and other high-level decisionmakers.
- b. Incorporates relevant information from all sources available to the government;

c. Represents the best analysis and judgment available to the government.

d. Provides for a disciplined expression of agreement and dissent among participating members of the Intelligence Community, thereby permitting departmental perspectives on national intelligence issues.

National intelligence overlaps extensively with intelligence that serves departmental and tactical needs, in terms of sources, content, and intended audience or use. It draws upon inputs from departmental elements of the Community. It contributes to meeting departmental needs; NIEs, for example, are supposed to provide the basis for DIA's Defense Intelligence Projections for Planning.

In any case, national intelligence has the two principal missions of providing to top-level US decisionmakers authoritative intelligence information and judgment relating to national security policy and to provide warning of impending developments affecting US national security. A corrolary of the second mission is to provide intelligence support during crisis or conflict situations to the President and his immediate advisors.

2. National Intelligence Vehicles

National Estimative Products: NIEs are the most formal vehicles for developing and conveying national intelligence. In fact, national estimative products flow via the varied means of:

- a. Major national estimates, which may, as in the case of those on Soviet strategic forces, be of large scope and volume;
- b. Special NIEs on selected topics; and
- c. Interagency papers aiming for collective judgment but less than full consideration by the National Foreign Intelligence Board (NFIB).

Such products may be requested by users or initiated by the DCI or a member of the NFIB. Their preparation is organized and supervised by members of the DCI's NIO staff, but the burden of analysis and drafting lies mainly with Community production elements and with several DCI committees organized around subject areas. Final products are reviewed and approved by the NFIB, where significant dissents are incorporated. The main judgments of an NIE, however, are the DCI's, and he has, in principle, considerable latitude in determining how an estimate is to be prepared, what it says, and what disputes are germane to the final product.

NIEs attempt to pull information together from and to serve all quarters. As a result, critics frequently find them insufficiently focused and clear in judgment; collective judgment is frequently charged to be waffled consensus. Moreover, major NIEs are very labor-intensive efforts; much of the typically scarce analytic talent available in the Community on a specific topic is tied up in negotiating over draft language. Sometimes this clarifies understanding, but often it confuses or dodges issues. As a major estimate marches forward to NFIB consideration, analytic experts become supplanted by agency representatives -- whose talents and instructions may vary a good deal -- in the task of determining what the estimate says.

The process of preparing estimates today is substantially more ecumenical than it used to be. NIOs make a deliberate effort to involve agencies other than CIA in major drafting responsibility. Nevertheless, proximity of crucial talent obliges the NIOs to lean heavily on CIA analysts. This produces two problems: complaint from other intelligence agencies, especially in Defense, that CIA continues to dominate the estimative process; and complaint by the line managers of

CIA's analysts, notably the DDI, that NIOs are in fact directly tasking their people -- something they claim the NIOs cannot do.

National Current Intelligence: Under E. O. 11905, the responsibility for producing national current intelligence -- as distinct from estimates -- is given to CIA. The function of current intelligence is to communicate a running account of events abroad, what is happening, who is involved, what is likely to happen next. Its major vehicles are the President's Daily Brief, a product of extremely limited circulation, and the National Intelligence Daily, aimed at a larger audience from the Assistant Secretary level on up. CIA, DIA, and the National Security Agency (NSA) also produce a large variety of current intelligence products that distribute the "news" to much larger audiences. National current intelligence items are coordinated among interested agencies as time and subject permit.

Although cutbacks have been made in CIA's manpower for current intelligence, it is still an expensive business at CIA and elsewhere. Again, the effort to supply a good information service to many varied consumers comes in for criticism. Some find the lack of analytic depth in current products dissatisfying, while relevant national estimates are too infrequent or long-term in focus to provide a reliable fare of mid-range analytic commentary. Topical papers from individual agencies do not seem to fill this gap fully.

Less Formal Mechanisms: If national intelligence is defined as that which contributes to national policymaking, then other, less formal, kinds of products must be included, such as inputs to Presidential Review Memoranda (PRMs) [formerly National Security Study Memoranda (NSSMs)] and direct support to on-going policy processes, such as the SALT and MBFR negotiations. The process whereby these contributions are made varies a great deal. In some cases, CIA, with or without involvement by NIOs, may make an input directly. Departmental intelligence elements may collaborate with CIA participants, or contribute directly through departmental channels. In mammoth undertakings, such as NSSM 246 and the current PRM-10, an effort may be made to construct a Community-wide effort.

The lack of a formal system for making national intelligence inputs to major policy studies has been troubling. The risk of shoddy or biased intelligence inputs to important studies exists. Yet, in fairness, it should be stated that the intelligence support to these efforts can hardly be better organized or executed than the main study efforts themselves, where a somewhat uneven record exists. The key problem here for the DCI is that intelligence contributions of substantial importance to national policy are being made in a manner that precludes his effective oversight and quality control. Whether or not he has or should have formal

responsibility for such inevitably informal interactions with the policy process is an open question. Yet it is very much in this arena of direct give and take between intelligence specialists and policy staffers that crucial services are rendered and, furthermore, consumers decide whether they think well or poorly of that service.

Net Assessments: "Net Assessment" is another area of intelligence support to policy where problems and much semantic confusion have arisen. Particularly as Soviet military power has equalled or surpassed that of the US in various areas, US policymakers have demanded from many sources, including intelligence, ever more sophisticated comparisons of US and Soviet power. Because such assessments involve or imply judgments about US military or other capabilities, some argue that intelligence should not conduct them.

In one light, net assessment is but a set of tools or methodologies used to answer legitimate intelligence questions: What are the military capabilities of a foreign power; what are his most appealing options; how might the military balance look to him? Using tools of operations research and systems analysis, these questions can be addressed in terms of duels between single weapons, force elements, or total military posture. When looking at Soviet forces or other potential

opponents of the US, it is reasonable to use realistic data and assumptions about US force capabilities in doing these analyses, even though some judgment about US policy and forces is implied by the outcome of the analysis.

Net assessment in support of intelligence analysis is a legitimate intelligence function. Components in the Community appropriate to do such analysis have difficulty, however, in acquiring enough people with necessary skills and reliable information on US capabilities to conduct such analyses on a meaningful scale.

Another problem arises with respect to net assessment aimed specifically at informing policy choice or the selection of military force options. Here, most in the Intelligence Community would agree that intelligence should be limited to a supporting role, making necessary inputs to what is directly a form of policy analysis. But even a supporting role requires that there be something fairly specific and organized to support. Despite the existence of an office for net assessments in the Office of the Secretary of Defense, largely concerned with stimulating discrete studies by others, there has been no focal point for policy-supporting net assessments in the Executive Branch. Creation of such a focal point would allow intelligence support to be more effective. It would still

leave the delicate problem of determining how tightly Community support to such efforts should be coordinated, if at all.

CIA Intelligence: The DCI is, of course, responsible for the unique intelligence products of CIA, and E. O. 11905 made the DCI specifically responsible for promoting the development by CIA of national-level intelligence products. CIA's products cover a wide range of subjects, time-horizons, and intended users. Some reports are specialized for the demands of a single customer; others report on analytic efforts unique to CIA in the Community; e.g., or on Soviet defense expenditures. Self-standing reports or serials issued by CIA are frequently intended as background information for both policymakers and other intelligence analysts working in the same area. In CIA, as in other producing entities, there is a need for written product to maintain the analytic base and memory of the Community.

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In addition to finished intelligence, CIA disseminates a considerable amount of intelligence in less formal ways, through day-to-day contact between CIA and policymaking officials. This is a particularly important channel, for example, in the case of DCI contact with the President, of contacts by DDO and DDI area and substantive chiefs with

their counterparts on the policy side, and of ongoing CIA support for a variety of international undertakings, such as SALT and the MBFR talks. When they come into play, these less formal modes of communication can have as much, if not more, impact on policy as does CIA's finished intelligence product.

Crisis and Warning Intelligence: The provision of warning and crisis- or conflict-management support to senior US policymakers is a major responsibility of national intelligence. CIA and the office of the DCI were created in large part to avert "another Pearl Harbor." It is, of course, the duty of all intelligence collectors and analysts at every level in every intelligence element to be alert for any indication of an impending foreign development that would affect US security interests. Partly for this reason, it has been difficult for the Community to organize a systematic mechanism that specializes in the warning problem. Such mechanisms do exist at many levels. The key ones are alert and indications lists pertinent to specific warning problems (e.g., a Soviet attack in Europe); 24-hour watch and operations centers in the main intelligence agencies; around-the-clock communications

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among the several operations centers and with the White House; and the Strategic Warning Staff located in DIA, jointly manned, and headed by DIA's Vice Director for Production, who is also the Special Assistant to the DCI for Strategic Warning (this staff is limited to warning of Soviet, Chinese, or North Korean events and conducts an ongoing program of analysis and commentary on these areas.) Some contend that these mechanisms are insufficient and inadequately tied together in a national warning system. The DCI probably has sufficient power to build more integrity into the Community for purposes of warning. The question is how to do it.

Once a crisis erupts, all elements of the Community apply appropriate resources to the provision of crisis-management support to policymakers. Although significant warning failures have occurred, the record of intelligence support during crisis is generally praised.

There still have been problems, however, in pulling the Community together for this task. After several crisis experiences, the previous Administration instructed the DCI to create a system for integrating the many crisis situation reports that flooded up to senior levels from the major intelligence agencies. This prompted plans for Community task forces to produce a National Intelligence Situation Report.

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President Ford also expressed the desire that such an integrated national "sitrep" incorporate whatever information on US actions and operations would be needed to make it a comprehensive report of crisis developments. Plans to achieve such integration have so far been encumbered by reluctance on the part of the Joint Chiefs of Staff (JCS) and the Department of State to see intelligence reporting subsume their respective reporting obligations and include sensitive operational or diplomatic material in intelligence publications. Various means to compromise on these problems are under consideration. But the new Administration has yet to state what it wishes in the way of intelligence support to crisis management. Clearly, the DCI cannot act unilaterally outside the sphere of intelligence.

3. Performance Evaluation

The DCI's role as producer of national intelligence is central to his entire function. How well is that role performed? The overall quality and worth of national intelligence has been extensively scrutinized by critics within the Community, in the Executive Branch, and in the Congress. E. O. 11905 prescribed a formal semi-annual review of the timeliness and quality of intelligence products by the NSC, to be supported by studies of the Intelligence Community Staff (ICS). The first such study, issued in December, 1976,

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surveyed numerous intelligence consumers and producers, covered a broad subject range, and assayed a number of basic problems afflicting intelligence production in the Community. The outgoing Ford Administration did not consider this report (although the NSC met on intelligence in January, 1977), and it remains to be seriously examined by the NSC.

This study and others like it, while varying in their catalogue of strengths and weaknesses, tend to come to the following judgments:

a. The need of policymakers for intelligence is constantly expanding, as to subject coverage, and deepening, as to detail and sophistication required. There is probably no such condition as full satisfaction. But the practical result is that Community analytic resources are spread very thin.

b. Given the above, it is extremely important to develop the best possible understanding of what intelligence policymakers really need. Unfortunately, they rarely say and frequently do not know. When they do know and say, they are frequently at odds. Formal mechanisms for determining consumer needs have had little value. In practice, it is left to

the Intelligence Community itself, at many levels, to analyze the market. Yet, for a "service industry," the Community is relatively lax in cultivating contacts with consumers. Some higher level managers and staffers maintain steady contact with customers. But such contacts are not widely encouraged, and frequently discouraged, for working-level personnel. For reasons of security and compartmentation, fears that objectivity may be threatened, and plain desire to "stay out of trouble," the Community maintains a degree of insularity from the rest of the US government that the Community is not even aware of but which is striking to knowledgeable observers on the outside. The result is lack of mutual understanding on both sides of the consumer-producer interface, except in such close-support areas as SALT policy. But this isolation does not prevent the consumer side from innundating intelligence entities with requests for ad hoc support.

c. Apart from the volume and value of intelligence data collected and processed for analysis,

the key variables governing the quality of intelligence product are generally the following:

- (1) the quality and number of analytical personnel in a given area;
- (2) the quality and extent of data bases, data processing, and data retrieval systems supporting analysis;
- (3) the "management environment" for analysis and production.

The first two items are self-evident. The third refers to such matters as whether good research and analysis are properly encouraged and rewarded, protected from "firefighting" and other staff distractions, etc.

There is a meaningful consensus in the Community that the quality of intelligence analysis and product could be substantially improved by achieving improvements in these key areas. Some cite the potential of new analytic methods, particularly from the social sciences, for improving intelligence analysis. The key question here is what capabilities the DCI has to achieve improvements in national intelligence production. The answer lies in part in his relationship to CIA, where his powers are great, and in his relationship to the rest of the Community, where they are much more limited. (See next two subsections.)

By the interest and expertise he demonstrates in the substance of intelligence production, the DCI can exert a great deal of leadership throughout the producing Community. He has considerable power to focus the content and streamline the process of national estimate production, if he chooses. Moreover, he can create quality control devices of various kinds to improve the analytic value of products before they are issued, and to assess their impact on the consumer.

There are important, if not easily measured, limits on what the DCI can do to extract the maximum product value from a currently existing body of analytic resources in the Community. Good analysis depends on good analysts with the time and motivation to assemble, digest, and synthesize data. But, because intelligence is a service business, it must jump when the door bell rings. No matter how enthusiastically intelligence managers and customers endorse the concept of carefully developed plans and priorities for intelligence production, there seems to be no way to avoid the steady stream of unanticipated events and requests for service that preclude their effective implementation, except at the margin. Departmental intelligence production entities are, of course, at the beck and call of their superiors, usually before the DCI. Even CIA is subject to voluminous ad hoc requests and

demands that thwart systematic employment of analytic resources. They are resisted with difficulty at any level. The DCI, moreover, has a built-in incentive to be responsive and tends to be sufficiently distant from the actual process of analysis and production to be relatively insensitive to the strains placed on it by "can-do" responsiveness to ad hoc demands.

These limits notwithstanding, the Community provides a mechanism for the production of national intelligence and places the DCI in recognized charge of it. Moreover, the overall structure of the mechanism does conform generally with the principles suggested in Section II as appropriate for assessing the "output" end of the intelligence process. It provides for diversified and specialized support to departmental needs. It provides a non-departmental source of intelligence judgment. It allows for sharing of data and judgments in common. And it provides for collaboration in agreement or expression of divergent views.

There are certainly weaknesses in all of these areas. In many cases the DCI has, as the senior national intelligence production authority, the powers needed to remedy or alleviate problems. Improvements are frequently more a matter of judgment and management attention than authority; for example, how to make the national estimate process more expeditious, or how to encourage more effective producer-consumer relations.

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One major ingredient of the present national intelligence process that Community structure places largely beyond the DCI's influence is the quality of departmental participation in that process. While he can enlarge, strengthen, or reorganize the analytical elements of CIA, he has little power, in practice, over the major departmental contributors to national intelligence analysis and production. Although he reviews their budgets in the NFIP process, and can undertake to evaluate their performance, he has scant authority to compel measures to improve that performance.

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III. C. Leader of the Intelligence Community

The law establishing the CIA and the Office of the DCI recognized and perpetuated the existence of institutional diversity in US intelligence. Getting the best intelligence product out of the Intelligence Community is the DCI's oldest Community role. Aside from production of national intelligence and coordination of especially sensitive matters across agency lines, the most important and contentious role of the DCI in the Intelligence Community arises from the need to manage intelligence resources efficiently, particularly collection resources.

DCI resource management functions in the Community, as noted in Section II, have two dominant dimensions: First, the allocation of currently existing collection and processing resources to meet current and relatively near-term intelligence needs. Second, the development of collection and processing resources to meet intelligence needs in the future. Both activities are governed by the concept of requirements. In the current management arena, requirements are statements of information need that constitute or can be translated into actionable instructions to the operators of collection and processing resources. In the mobilization of resources for the future, requirements are statements of information need that can be translated into guidance or specifications for the development

of new intelligence capabilities, human or technical.

1. Current Collection Management: The Requirements and Priorities System

Today, the DCI is the senior and central requirements officer of the national intelligence community. He is in charge of the processes whereby the Community decides how to match current information needs with currently available collection assets. This role imparts to him considerable authority, although it is sometimes obscured by the seeming complexity of the processes involved and by their necessarily "democratic" nature.

The DCI's authority over intelligence requirements is based originally on the duty assigned to CIA by the National Security Act of 1947 to "make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies as relate to the national security." NSCID No. 1, as Para 3 a (4) lists "Establishing and reconciling intelligence requirements and priorities within budgetary constraints" as one of the DCI's four major responsibilities. E.O. 11905 instructs the DCI to "develop national intelligence requirements and priorities." As much as on formal authority, the requirements systems of the Community grew up on the objective need of the Community for a set of market mechanisms to match collectors with users of data.

The requirements system starts with general statements

of information need. The DCI's Key Intelligence Questions, for example, are topical and addressed to both producers and collectors. The major base-line statement of information needs and priorities is in DCID 1/2 and its attachment, which assembles comprehensively and ranks major classes of intelligence problems. These kinds of guidance allow collection managers to structure their basic effort. In addition, the system responds at the margin to specific demands from user elements that refine or depart from the base-line priorities.

Community collection management varies markedly among the three basic collection disciplines: imagery, signals intelligence, and human source collection. These variations are largely a function of the character of the respective disciplines, and partly a reflection of organizational preferences. In each case, the center point of the process is an interagency committee whose staff forms part of the Intelligence Community Staff (ICS) and whose chairman reports to the DCI. What varies is the prescriptive power of these committee mechanisms over the actual operations of collectors, from very strong in the case of the Committee on Imagery Requirements and Exploitation (COMIREX), because of the nature of day-to-day specific camera operations, to broader and more general in the case of the SIGINT Committee,

to weak in the case of the Human Resources Committee (HRC).

Guidance by Committee: National imagery collection is conducted by a small number of photographic satellites (and occasional aircraft). By its nature, a photo satellite demands mechanical precision in its instructions. This dictates that the process of turning statements of information need into actionable instructions for a system be tightly compressed. The importance of the resource involved dictates that this function be highly placed in the Community and centralized. This results in the "COMIREX model" of requirements management, a requirements committee for bringing statements of need together and adjudicating conflicting priorities, and a specialized staff competence for turning statements of need into precise collection instructions. Overhead imaging systems are operated on comprehensive standing instructions which are adjusted to changing needs by the COMIREX mechanism. With film return systems, this is a largely cyclical activity.

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Users interact with the requirements mechanism through a central computer and remote terminals.

Collected images are general information packages that are easily disseminated and susceptible to decentralized exploitation. Hence the mechanical rigor and centralization

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25X1 of the imagery requirements process is more relaxed in the exploitation phase. All overhead imagery is distributed to [] facilities among intelligence agencies and military commands, with the central requirements mechanism seeing that priority needs for reading out information are met and that appropriate data bases are maintained.

By comparison with imagery, the SIGINT world is more diverse as to systems and suborganizations involved. SIGINT

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In the area of human resources collection, no consolidated national collection requirements system exists at this stage. Each HUMINT collection entity within intelligence can take guidance from general requirements statements, such as Key Intelligence Questions and DCID 1/2. But each also operates on its own appreciation of national and departmental requirements developed through direct contact with analysts and customers. Several factors inherent in the nature and organizational structure of HUMINT account for this. Clandestine agents obviously cannot be tasked in the same manner as a satellite or a ground receiver. Moreover, the need for operational security inhibits the exchange of knowledge about agent capabilities, or even existence, that can take place in the requirements "market place" governing technical collectors.

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Other Problem Areas: The collection requirements and management systems of the Intelligence Community are evolving and growing, largely under the general pressure on intelligence to achieve and to demonstrate efficiency. There is still lacking a formal and unified system for "all-source" requirements development. Such competence is not absent from the requirements process now. It is scattered among the existing collection committees, special agency staffs, the NFIB itself, senior managers of the Community, and in user-analysts themselves. There are, in short, people and organizations that can effectively influence who does what best on an all-source basis. Yet the need is clearly growing for some institutionalized system to do this systematically and currently without adding to the number of middlemen between analysts and collectors.

Except for the problem of organizing non-intelligence

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human source collectors, most of the problems of Intelligence Community requirements management for current collection can be addressed within present structures and with present DCI authorities. Under any Community structure, the system must provide for a "democratic" interaction of needs and capabilities and sufficient central authority to set the pace and to see the system work.

In the area of current collection management, the most vexing problem pertinent to Community structure concerns the control of major national technical collection systems in time of war when the military-tactical needs which these systems are increasingly capable of serving become much more important. This issue generates strong feelings and pervades the debate about DCI authorities over current collection operations and programming future resources. It cannot be conclusively resolved in the abstract. It is not at all clear, for example, whether there would be major conflicts of priority among military and civilian collection requirements in a war where these assets could perform meaningfully; or whether who presides over the process of adjudication would make a real difference. What is clear is that provision must be made for the effective operation of relevant collection assets in many different kinds of conflict situations. This requires careful prior study,

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the creation of robust control mechanisms, and the exercise of applicable procedures. The peace-war control issue cannot be resolved at the last minute.

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Despite these agreements, without a Presidential Order the relative authorities of the DCI and the Secretary of

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Defense in crisis and wartime remain nebulous. Since they have not been invoked, even in Vietnam, there are no precedents to provide criteria and procedures to be followed. Since the definition of war appears to be elusive and a political rather than legal issue, it is difficult to define what constitutes an active theater of war. It is also unclear at what stage of a crisis control should pass to the military. The problem is also complicated by CIA assets having become a sophisticated collection system geared to new technological capabilities and a far wider range of intelligence interests than ever before. It is possible, as in Vietnam, for CIA theater assets to be targeted against national intelligence priorities that in many cases transcend the intelligence needs of the battle area. In any case, there is nothing in the agreements or in statute to modify in any way, during crisis or wartime, the DCI responsibility to serve as the primary advisor to the President on foreign intelligence.

The appropriate balance between DCI and DOD control of intelligence assets must be defined in advance, with flexibility to meet the exigencies of each case. Also, clear criteria and procedures need to be developed and exercised. Any resolution of these problems must be compatible with and reflect the realities of the DCI's role

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in crisis and warfare. But, equally important, it must assure the DOD that its needs for intelligence at all levels would be adequately met.

2. Requirements, Planning, Programming, and Budgeting Intelligence for the Future

Who is in charge of the process of building US national intelligence capabilities for the future, and what authorities should he or they have? This more than any other single issue governs the debate over the structure of the Intelligence Community. At present the DCI has a newly strengthened but still fragile and difficult role.

Since World War II, a complex Community of organizations has been created to produce national intelligence. These organizations are lodged in numerous departments of government, most of them in the Defense Department. Since the late 1960s, all Presidents and, increasingly, the Congress have looked to the DCI as the nation's senior full-time intelligence officer to lead and to manage this Community. Emphasis on the importance of Community resource management for the future has steadily grown. The President and Congress expect the DCI to assure that resource allocations are optimally balanced across intelligence activities for the best product at the least cost.

Some would maintain that the mounting demand upon the

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DCI to fulfill this role has been unwise from the start and that departmentally based intelligence resource management should not be subject to centralized extra-departmental intelligence authority. But fiscal pressures created the demand for more and better intelligence resource management, while the DCI's "centrality" in the system, his seniority as the nation's substantive intelligence officer, and his undivided preoccupation with intelligence made him its natural focus. In the presence of vague or overlapping definitions of "national," "departmental," and "tactical" intelligence, some in Congress have sought to press on the DCI more responsibility for the latter classes of activities.

Defining and empowering this DCI responsibility has been studied intensely several times in recent years. To date, each round of decisions has resulted in giving the DCI Community management mechanisms that have been essentially collegial in nature because of the continuing line responsibilities of departmental management. That is, DCI responsibilities and powers overlapped or conflicted with those of other officers, notably the Secretary of Defense, requiring a negotiating forum to reach decisions. President Ford's Executive Order 11905 created such a forum for resource management matters in the Committee on Foreign Intelligence (CFI), now called the Policy Review Committee (Intelligence).

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Several of the elements of the Community are primarily national by charter and mission: CIA, NSA, [REDACTED]

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[REDACTED] Only CIA is directly subordinate to the DCI. NSA [REDACTED] located in the

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Department of Defense, are especially significant in this context for the volume and importance of the intelligence data they collect for national, departmental, and potentially, tactical purposes. Routinely, these organizations respond to operational tasking by Community mechanisms in which Defense participates heavily and over which the DCI presides. In debates over programming and budgeting, they appear at times from the DCI's vantage point to be castled behind their institutional subordination to the Secretary of Defense. From the vantage point of senior Defense intelligence managers, however, they seem immunized from clear Defense control by their obligatory responsiveness to the DCI. The program manager's vantage point reveals the uncertainties, ambiguities -- and some flexibilities -- involved in having dual masters.

Other elements, such as DIA, other components of the General Defense Intelligence Program, State/INR, and the intelligence elements of Treasury, FBI, and ERDA exist primarily to serve departmental needs, but also play a vital role in national intelligence collection and production.

The ambiguities of dual masters are displayed in their program management to varying degrees as well.

25X1 The DCI's authoritative influence over collection priorities and requirements is a potentially strong, if at times, imprecise, influence over the programs and budgets of NSA, [] and other Community elements he does not directly control. Some believe that defining requirements and priorities should be the only basis for his influence on programs.

In the development of future intelligence capabilities, however, the long lead-times and great uncertainties as to both potential need and potential capabilities make requirements and priorities a very loose means, at best, of controlling actual behavior. There must be wide latitude for judgment and experimentation. There must be substantial hedging against unlikely but possible developments. Options, branch points, and margins for error must be built into any strategy for the development of future intelligence capabilities. Balances must be struck among the several goals of a multi-purpose system. The power to make these decisions is, in fact, the power to develop the capability.

An important part of the DCI's Community leadership and resource management role is to stimulate technological and other initiatives aimed at improving collection and

production performance. Then he must assure such initiatives are realistically evaluated against requirements and cost. This dual obligation creates a challenge for any resource management system. "Tight" management tends to assure that only needed innovations are approved. But it may also, over time, suppress innovation.

The question is whether and how well, via present collegial mechanisms, the DCI can accomplish effective resource management in the Community, especially as regards planning and programming for the future.

Prior to the issuance of E. O. 11905, the ability of the DCI to influence the allocation of Community resources was limited to his authority over the CIA and his participation as one of the two members of the Executive Committee (ExCom)

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Even there, where the DCI had direct but shared authority over reconnaissance programs and activities, some argued that he and the Department of Defense representative were limited to approval or disapproval of program manager recommendations. There was no effective method for the DCI to stimulate activity or to direct trades between programs.

* NSCID 1, issued in February 1972, charged the DCI to "prepare and submit each year" through OMB "a consolidated intelligence program/budget as directed in the Presidential memorandum of 5 November 1971." Beginning with FY 1973 such budgets were sent to the President by the DCI, but these budgets were little more than compilations of budgets prepared by the various program managers.

The DCI's voice was also limited prior to E. O. 11905 by the comparative weakness of the mechanisms for making his views known to the President and the Office of Management and Budget (OMB). Departments and agencies submitted their budgets separately to the President through OMB. Issues which developed during the budget formulation and submission period were often debated and resolved without direct DCI input. The DCI's recommendations were provided to the President from FY 1973 onward as a set of program recommendations delivered in mid to late December. By then, the value of this document was limited to little more than interesting reading.

The CFI was created in order to extend at least an ExCom style of management to the entire National Foreign Intelligence Program (NFIP). The CFI, however -- now the PRC(I) -- is chaired by the DCI, and decisions of the Committee may be reviewed by the full NSC upon appeal by the DCI or any member of the NSC. Lacking such a forum, the DCI would be relegated to the pre-E. O. 11905 situation -- limited to bringing influence (but no authority) to bear on selected resource decisions. He would be unable to force the Community to view entire programs side-by-side and to shift resources among them.

During the past year, the first fully consolidated NFIP and budget were developed under the provisions of E. O. 11905. This was a major accomplishment. But, it

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was accompanied by persistent struggle over allegedly conflicting authorities and substantive judgments between the DCI and Department of Defense officials. These struggles made unnecessarily cumbersome the process of rationalizing the overall NFIP budget. Progress was made in achieving decisions on new initiatives and in obtaining Community positions on issues highlighted by Congress and OMB interests. Much less was accomplished in examining fundamental cross-program issues and resource balances such as implied by "zero-base budgeting." It has been difficult for departments/agencies having elements in the NFIP, especially the Department of Defense and the State Department, to accept the PRC (CFI) decisions as final and not subject to the ultimate decision authority of the Secretary or Agency head. Yet they must if the collegial decision technique embodied in the CFI is to yield a consolidated NFIP and budget for which the DCI can fairly be held responsible. Otherwise, the mechanism is essentially advisory and the DCI should not be held accountable for its results.

The achievements of the past year were attended by growing complaints about the two management roles of the DCI: head of the Central Intelligence Agency and leader of the Community. Some have argued, as a consequence,

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that he should be divested of the former so as to be "neutral" in executing the latter role. Others contend that this alone would only create a weaker DCI, with no executive base, or simply place another, weaker authority, between CIA and the President. To be a strong Community leader, the DCI needs, not less authority over his only present operating base, but more over other key Community elements.

One may reach different conclusions on the present Community management mechanism. For example:

Conclusion 1:

The present system did not work too badly for the first year. A learning curve will show improvement, especially as a full cycle of evaluation, planning, programming, and budgeting is implemented. Moreover, whatever the cost in bureaucratic struggle, it is essential that the future programs and budgets of the main national intelligence entities be thrashed out in a forum where a diversity of needs and views are authoritatively represented. A rational, consolidated NFIP can be developed by collegial mechanisms, but, in the final analysis, the ultimate authority over the programs and budgets of departmentally based intelligence programs rests -- and

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must rest -- with the department head. The DCI should lead by defining requirements and priorities. Those requirements and priorities can be met with the voluntary cooperation of the departments that run the collection programs.

Conclusion 2:

The first opinion is correct in stressing the achievements of the past year and the prospects for improvement as the present system shakes down. It is also correct to stress the value of collegial mechanisms in expressing the diversity of demands on intelligence programs that exist in the real world, no matter what the authority structure, and that should be reflected in those programs. But stress on the ultimate authority of the department head over the Community mechanism chaired by the DCI is bound to make the system fail -- or at least very awkward. To function, the system requires direct access to and influence over the entire programming and budgeting process, including program execution, of all NFIP programs on the part of the DCI's Community mechanism and acceptance of collegial CFI, now PRC(I), decisions as final, but for infrequent cases appealed explicitly to the National Security Council and the President. In essence, the system can work if the members are clearly

instructed that it must.

Conclusion 3:

The present system leaves the DCI with too little power over entities other than CIA to achieve what is expected of him, a fundamental rationalization of resource allocation among the major national intelligence organizations and activities. He does not have sufficient direct power, except through the PRC(I), to investigate, call up well-supported program alternatives on, experiment with changes to, and, in the face of divergent views, conclusively resolve disputes on the major national intelligence programs whose integration he is charged to accomplish. Except via PRC(I) involvement in reprogramming action, the DCI cannot directly monitor or influence program execution. In addition, line command of CIA and collegial leadership of the Community are in a state of tension. The Community suspects the DCI and his Community officers of favoring CIA. CIA fears loss to the Community arena of its senior protagonist and only link to the President. To be a true Community manager held accountable as such, the DCI must have more line authority and direct budget control over NFIP elements other than CIA. At the very least, the DCI must gain more line and budget control over

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the national elements of the community which he is
responsible for: CIA, NSA,

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III. D. Head of CIA

The National Security Act of 1947 created the Office of the DCI and the CIA as essentially a single entity. That entity was to be, on one hand, a centralizing element in a federated Community, correlating and evaluating all intelligence available to the government, and recommending coordinated actions by the Community to the NSC. At the same time, it was to house unique capabilities: i.e., "services of common concern" and those required for "other functions and duties." It was clearly Congressional intent that CIA become the home of a US civilian clandestine service arm. Congress created thereby a modest competence to pull things together in US intelligence and a substantial potential for unique functions. Little tension was perceived between these roles, and none between the DCI's role and CIA's role -- they were to be an identity.

CIA quickly began to build unique competence as an agency, and a variety of functions have grown up on the implications of the National Security Act, out of practical need, and in the gaps between other elements of the federated Intelligence Community. These functions were not all spelled out until Executive Order 11905.

Today CIA contains:

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a. An independent (non-departmental) analytic capability of broad, but not universal, scope;

b. A home for the Clandestine Service

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c. Varied R&D activities

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d. Varied technical collection operations;

e. Varied services of common concern, including national photo interpretation,

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and selected data base

maintenance; and

f. Needed support services.

CIA also houses, but does not "own" the DCI's main current element for national intelligence production on a Community basis -- the National Intelligence Officer staff. It once housed his Intelligence Community Staff (ICS) for Community policy, programming, and evaluation activities; the ICS is being pressed by Congress and, to some extent, the Community, to assume an identity completely divorced from CIA.

It should be recognized that CIA is not an omniscient, independent national intelligence agency in the sense that it can do alone what it is responsible for. Like other Community

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elements, it depends on the whole Community. Its analytic and production efforts depend heavily on collection activities performed in defense agencies, i.e., NSA, [REDACTED]

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[REDACTED] Defense Attache System, as well as in non-intelligence organizations, e.g., the Foreign Service. Its analytic capabilities do not cover all the substantive areas from which inputs to comprehensive national intelligence must come. For example, agencies in Defense take the lead on most military order-of-battle development and many weapons technical analyses on which national production draws. CIA [REDACTED]

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In other respects, the Agency has not been truly "of the Community." For many years it was insulated from outside pressures and scrutiny, enjoyed widespread acceptance of its basic missions, and a certain elite status among intelligence elements. This gave CIA unique freedom and flexibility to pursue its missions effectively. Moreover, it can be said that CIA was not really one integrated organization throughout its history, but rather an assembly of relatively independent units and cultures for analysis, clandestine operations, and S&T activities. The DCI ran each more or less separately and emphasized one or the other depending on his interests and background. In the last year, under bombardment from outside

and with the DCI turning increasingly to Community matters, the Deputy Director of Central Intelligence (DDCI) has moved to integrate CIA management at the Directorate level. But at lower levels, separate cultures persist.

The DCI enjoys line management control over CIA alone in the Intelligence Community. His powers are strong for the head of a government agency, especially in areas of organization, personnel, and funding. CIA personnel are not part of the competitive Civil Service; they may be dismissed at the Director's discretion. (In practice, this dismissal power is qualified by Constitutional guarantees against arbitrary and capricious action by government officials.) Over the years, the DCI has used these powers to develop new intelligence capabilities in CIA, e.g., building the Clandestine Service, creating the DDS&T, expanding analysis when required.

The controversies of the past several years have placed obvious strain on the CIA. Investigations and new legislative requirements and oversight activities have taxed the energies of staff and management at many levels of CIA as in other agencies. The legitimacy and effectiveness of the Clandestine Service have been eroded by attacks, leaks, and investigations. This, in turn, has created morale problems for the DDO and, to some extent, the Agency as a whole. In a basic sense, the nation has raised the question: Whether and how to run a

clandestine foreign intelligence service? Maintaining such a capability is dependent on many considerations of law, management, funding, etc. But it bears also on considerations of Community structure in the sense that, whatever structure is chosen, it must make provision for the special requirements of clandestinity.

The above concerns may be obvious from recent events. Less widely appreciated have been the strains on CIA and its relationship to its head, the DCI, produced by the augmentation of the DCI's Community role since 1973 and especially since early 1976. Many in the Community see the DCI as bound to favor CIA, his own organization, in any Community deliberation on production, requirements, or resources in which CIA has an interest. Within CIA, recent trends have been seen in an entirely different light. The DCI represents CIA's line to the President and the NSC; he is therefore a crucial part of CIA's reason for being. To the extent that he devotes less time to his role as head of CIA to pay greater attention to Community matters, this link is seen to weaken and CIA's central and national status diminished. CIA becomes, in fact, what some others in the Community want it to be, "just another agency." But without a department secretary or military chain of command to serve, CIA is not "just another agency" like the rest of the Community, but an entity somewhat cut adrift.

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With the creation in 1973 of the NIO staff, asserted to be more Community and less Agency-oriented in its work, CIA's DDI has felt removed somewhat from the national intelligence production process that constitutes its reason for being. This perception arises at management levels largely; analysts still labor on national intelligence, but more in response to NIOs and less to their own management structure.

In Community debates over resources, CIA elements perceive that they have lost their only advocate, because the DCI must strive not to show favoritism toward CIA in order to maintain his credibility in the collegial context of Community resource management. The DDCI, nominally in day-to-day charge of CIA affairs, is put in the awkward position of having to advocate CIA interests that may add difficulties to the DCI's Community role.

Amid this, the newly active layer of Community resource management and review, added to that of greater scrutiny by Congress, has encumbered the process of getting approval on major resource initiatives. CIA managers see this as threatening the unique flexibility and innovative capacity of CIA, particularly in technical and operational areas. There are, of course, at least two points of view on this. Others argue that the "good old days" are gone forever, and CIA must learn to be more critical of its own initiatives and to do business as

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others do. But these adjustments have penalties as well as benefits, and adverse perceptions of them are real problems for CIA management.

In the long run, CIA's effectiveness cannot withstand a serious conflict between the DCI's role as head of CIA and as Community leader. Part of the problem is the imbalance between the DCI's broad responsibilities and his more limited decisionmaking powers in the Community arena. This forces him into a position where he must appear to neglect CIA to be effective as a negotiator in the Community. Solutions to this problem all go to the heart of the Community structure. Some basic alternatives might be:

- a. To strengthen DCI authorities over other key Community elements -- i.e., the "national" elements -- so that they match his authorities over CIA, or combining CIA with those elements into a single national intelligence agency.

- b. To subordinate CIA, or parts of it, directly to an official other than the DCI (as Community leader) but who has powers rivaling or exceeding those of the DCI, e.g., the Assistant to the President for National Security Affairs.

- c. Within roughly the present structure, to reaffirm the centrality of CIA as both a home for

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unique national collection and R&D capabilities under the DCI, and the staff base for the DCI's national production and Community resource management roles (i.e., place NIO and IC Staff functions within CIA).

III. E. Protector of Intelligence Sources and Methods

The National Security Act makes the DCI "responsible for protecting intelligence sources and methods from unauthorized disclosure."* Executive Order 11905 supplements this responsibility.** Notwithstanding the Government-wide nature of this responsibility, departments and agencies have generally applied measures for protecting sources and methods on an individual, departmental basis.

DCI leadership in protecting sources and methods has heretofore generally been limited to compartmented intelligence and to restrictions on the dissemination and use of intelligence information. Factors that have tended to serve as a brake on a wider DCI role in this area are that:

a. Intelligence information must, in large part, rely for its protection on the total U.S. Government classification system, established by an Executive Order for all national security purposes;

b. Personnel security procedures for other than compartmented access are governed by Executive Orders and departmental regulations, which are again designed to support general national security purposes.

* Section 102(d)(3)

**Section 3(d)(1)(vii) provides the DCI shall "ensure that appropriate programs are developed which properly protect intelligence sources, methods, and analytical procedures," then adds specific limitations on the DCI's responsibility within the United States.

c. There are no Government-wide agreed definitions for intelligence sources and methods; and

d. There are no effective laws to deter and punish the unauthorized public disclosure of sources and methods information.

The problem of unauthorized disclosures of classified information involves sources and methods data as much as it does defense or foreign policy information. Whether the problem has been aggravated more by loss of credibility of classifications in general, or by the lack of sanctions against disclosure, is debatable. In any event, the system is not working as it should. Those whose concern is to protect sensitive information tend to overclassify and rely more than they should on compartmentation to compensate for perceived weaknesses in the security system. The belief that classifications and controls are arbitrary is thus enhanced, further loosening inhibitions against disclosure. This leads to even more overcontrol and restriction of dissemination of intelligence to those who need it.

In past approaches to the problem, the DCI has sought new legislation to prevent future damaging disclosures of sources and methods information. The Congress has been uncooperative because of intelligence improprieties and more general abuse of the "national security" label. Effective

statutory support for the DCI's responsibility in this area must still be sought--but in concert with wider initiatives on official secrecy and other initiatives which he can take in protecting sources and methods information. Those initiatives could include:

- a. reinvigorating the classification system within the Intelligence Community;
- b. strengthening supplemental controls and compartmentation for particularly sensitive information;
- c. improving the personnel security system governing access to intelligence information; and
- d. seeking Congressional enactment of a statute which would effectively protect sources and methods information and deter, through meaningful punishment, those who might disclose it.

In any event, compartmentation and dissemination practices will have to be continually reviewed and probably revised to afford wider access to many new users of intelligence, particularly military users of satellite-derived information.

III. F. Participant in US Foreign Counterintelligence (CI)
Policies and Activities

The size and extent of the human intelligence effort against the US by Communist countries continues to increase and to constitute a significant threat to national security. This hostile intelligence effort includes not only a larger Soviet official presence in the US, but large numbers of technical, cultural, and economic visitors to the US; a large number of Soviet vessels with their crews; and extensive Soviet efforts to recruit Americans in and from third countries.

The US effort to counter this threat is carried on by five separate agencies -- the FBI, CIA, US Army Intelligence Agency, Naval Investigative Service, and Air Force Office of Special Investigations. But there is no national foreign counterintelligence policy or structure.* Coordination is inadequate. The CIA coordinates CI operations abroad; the FBI, within the US. There is no centralized operational coordination in the Department of Defense. In terms of resource purview, the CI components of the FBI and CIA are now within the National Foreign Intelligence Program, but the military CI agencies are not. There is no overall coordinative body or official.

*The E.O. 11905 definition of foreign CI applies. The emphasis is on the foreign relationship; the locus may be either within the US or abroad. Substantively, it does not include protective security functions but does include foreign CI collection, investigations for operational leads, operations, related information processing, and production.

This situation adversely affects the US ability to deter the hostile foreign intelligence activities. The FBI has most of the resources devoted to the national foreign CI effort. The FBI, however, is still experiencing practical difficulties in building a career CI corps with resources adequate for the threat. CIA, which is responsible for CI operations abroad, where most of the CI threat originates is still rebuilding its CI program to make up for past problems.

Foreign CI sooner or later involves Americans. Legal and public concerns about the protection of constitutional and statutory rights sometimes slow individual agency foreign CI efforts and impede their effectiveness. A basic problem is how to strengthen the national foreign CI program while insuring that the constitutional and statutory rights of Americans and others entitled to these rights are protected.

The deficiencies in the foreign CI program are widely recognized. The Church Committee recommended the creation of a new NSC CI Committee with the Attorney General (AG) as Chairman and a classified review of current CI issues, which would lead to a classified Presidential statement on national CI policy and objectives. The President's Foreign Intelligence Advisory Board has recommended the development by the AG, in consultation with the DCI, of a national CI policy directive and the establishment of a senior CI coordinating mechanism responsible to the DCI and the AG.

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As a result of these recommendations, the Intelligence Community Staff drafted and circulated for Community comment a proposed unclassified Executive Order to establish an AG-chaired, NSC-level National CI Policy Committee with a subordinate working body. The Departments of State and Defense, the FBI, and the CIA have all supported the proposal in principle. An approach to the Attorney General is planned as a next step to securing his agreement to head such a group. In any case, there would appear to be no real alternative to the establishment of a national foreign CI policymaking and coordinating structure.

III. G. Guarantor of Propriety

The National Security Act of 1947 and the Central Intelligence Agency Act of 1949 are silent on the issue of DCI responsibility for insuring the propriety of intelligence activities within the Intelligence Community. As the head of CIA, the DCI is provided with an Inspector General and the normal mechanisms for discovering and investigating impropriety within CIA. As a senior public official, the DCI is sworn to uphold the Constitution and to execute all of his duties in a responsible manner.

Executive Order 11905 does make the DCI responsible for "establishing procedures to insure the propriety of requests and responses from the White House staff or other executive departments and agencies of the Intelligence Community." But the Executive Order does not provide any authorities or mechanisms for exercising these responsibilities on a Community basis.

The Executive Order also directs the DCI to "insure the existence of strong inspector general capabilities in all elements of the Intelligence Community." The Order further directs the DCI to insure that each inspector general submits a quarterly report to the Intelligence Oversight Board setting forth any questionable activities. The DCI has no current means of "insuring" compliance with either of these directives. Several of the Inspectors General involved are actually not assigned to an entity within the Intelligence Community.

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Despite the absence of formal authorities or mechanisms for insuring the propriety of activities of the Intelligence Community, the DCI is seen by the public, Congress, and others as the responsible government official. But the gap between the DCI's perceived and actual authority in this area is large.

Precisely defining what type of intelligence activities are proper and improper in the first place is a difficult task. Executive Order 11905 lists a series of collection and other activities that are prohibited. The Intelligence Community, however, and the DCI as its leader, often are taken to task for engaging in activities that are not on the list or included in any other formal definition of improper activities. Given the nature of intelligence, there is a strong possibility that such nonexcluded activities may cause a public or Congressional reaction, because pursuing them is seen as insensitive to the current climate of opinion about intelligence, because they are poorly conceived, or because they are only partially understood by their critics. Although not on the "list" of restricted activities, the public, Congress, and even the Executive may judge them as improper and hold the DCI responsible.

Executive Order 11905 established the Intelligence Oversight Board (IOB) and directed the various inspectors

general of the intelligence agencies to report to the Board any questionable activities involving legality or propriety. The IGs were required to provide quarterly reports to the IOB, to provide any information requested by the Board, and to develop procedures for discovering and reporting questionable activities.

The DCI has no Community inspector general nor is he the channel through which inspectors general report improprieties. In fact, inspectors general of the various intelligence organizations have indicated they would not provide these reports to the DCI and that such a reporting procedure might itself be illegal.

Although the inspectors general of the various agencies do not report to or through the DCI, he does have a variety of means for monitoring intelligence activities. Clandestine operations conducted by the DOD must be coordinated with the DCI, and sensitive intelligence operations (technical and human) are examined by the DCI at both the departmental and the Special Coordinating Committee level. The DCI is in no position, however, to dig down into the activities of an agency, other than CIA, and discover improprieties in its activities.

Under the current structure of the Intelligence Community, there is serious question as to whether the DCI should be

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provided with direct authority over the inspectors general of the independent agencies. An increase in his authority would result in a decrease in the role of individual inspectors general. Although the DCI might provide some greater uniformity in the criteria for determining propriety and in the standards and procedures for reporting questionable activities, this increased authority would impinge directly on the responsibilities of the heads of departments and independent agencies.

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III. H. Coordinator of Liaison with Foreign Intelligence Services

No comprehensive national policy has been issued to govern the conduct of US official relationships with foreign intelligence and security services. Several aspects of foreign liaison are, however, addressed in NSCIDs 2, 5, and 6 and related DCI Directives. Some ambiguity results from this piecemeal approach, especially as pertains to the respective responsibilities of the DCI, the Director, NSA, and Chiefs of US Missions abroad. Relationships with foreign intelligence and security organizations are maintained by several departments and agencies within and outside of the Intelligence Community to exchange intelligence, counter-intelligence, and related information for mutual benefit. The totality of US-foreign liaison relationships and information exchanges (intelligence or otherwise) is not now under the cognizance, control, or management of any single individual or organization in the government. A national policy issuance which assigned specific responsibilities and oversight for foreign liaison in support of national intelligence objectives would be both desirable and timely.

The responsibilities of the DCI for coordination of US foreign intelligence activities as described in NSCIDs 1 and 2 need to be more clearly defined in relation to State and Defense responsibilities set out in NSCID 2.

NSCID 1 provides that the DCI "shall coordinate the foreign intelligence activities of the United States in accordance with existing law and applicable directive," and that "The DCI shall formulate, as appropriate, policies with respect to arrangements with foreign governments on intelligence matters." NSCID 2 provides that "The DCI shall ensure that the planning for utilization of collecting and reporting capabilities...avoids unnecessary duplication and uncoordinated overlap."

NSCID 2, on the other hand, provides that "The Department of State shall have primary responsibility for, and shall perform as a service of common concern, the collection abroad... of political, sociological, economic, scientific, and technical information." NSCID 2 gives the Department of Defense responsibility for collection of military intelligence information. NSCID 2 also provides that "The Senior US representative... shall coordinate in his area the collection activities not covered by other National Security Council Directives."

The responsibilities given to State, Defense and the Senior Representative in NSCID 2 presumably are intended to include collection through foreign liaison. The DCI's authority to coordinate US foreign intelligence activities appears to apply to collection via overt as well as covert foreign liaison arrangements but generally speaking is exercised only in the latter case.

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The DCI exercises a predominant foreign liaison coordinating role in clandestine intelligence and CI matters. NSCID 5 provides that the DCI shall coordinate liaison that "concerns clandestine activities or that involves foreign clandestine services....," and that CIA shall conduct liaison with foreign clandestine services as a service of common concern. The directive also permits "other departments and agencies with commands or installations located outside the U.S." to conduct such liaison, provided it is coordinated with the DCI. There is no problem with this part of NSCID 5.

Since NSCID 5 is limited to clandestine matters, it does not address the DCI's role in the extensive non-clandestine foreign liaison intelligence exchange activities carried out by Defense Department elements and other federal agencies under various intelligence and security-related programs. In addition to clandestine charters, many foreign intelligence services have criminal investigation and overt collection as well as analysis and production responsibilities, with the result that various US Government intelligence elements need to conduct liaison with them. This has caused occasional coordination problems at the field level, primarily in areas where major US military commands are located, when DCI representatives (CIA Chiefs of Station) and military intelligence representatives have disagreed on the extent of the DCI representatives' control over information exchanges between

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the US military and host country intelligence components.
Such conflicts appear to stem from an inadequate understanding
of the DCI's authority and responsibilities on such matters
rather than from a need for new policies or directives.

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III. I. Spokesman to Congress

Executive Order 11905 names the DCI as the principal spokesman to Congress for the Intelligence Community and instructs him to facilitate the use of intelligence products by Congress. In addition, the Foreign Assistance Act of 1974 requires that the President certify each of CIA's covert action programs and to notify the Congress of such certification. The responsibility for notifying Congress has been delegated to the DCI. Over the past few years, the DCI has presented the NFIP to Congress after its approval by the President. Congressional committees tend to look to the DCI as the principal, though not the only, spokesman on the NFIP.

The DCI's role as spokesman is not without its pitfalls. Traditionally, if not by law, the primary role of the DCI has been to serve the President and the national security structure of the Executive Branch. If the DCI is also to become a principal supplier of intelligence information and analysis to the Congress, he may be placed in the awkward position of attempting to serve two masters who, by Constitutional design, are frequently on different sides of foreign policy issues. In these circumstances, the objectivity which is the DCI's most precious attribute may be challenged by both sides. At a maximum, the Director may lose the confidence

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of other elements of the Executive Branch, particularly DOD and State, on which he depends for critically important feedback on foreign policy planning and other sensitive information which these elements glean in the course of their work. Accordingly, one of the foremost problems in the years ahead may be to find a way in which the Director can respond to the proper demands of Congress without jeopardizing his relations with the Executive.

The manner in which the Intelligence Community is organized probably will not significantly change the DCI's role as spokesman to Congress. Were his Community powers enhanced, the DCI would be in a position to better insure that intelligence elements speak with a single voice. But the DCI probably would not wish to place restrictions on program managers, nor would Congress be likely to acquiesce in the application of such restrictions. Program managers are obviously in the best position to provide the details on the objectives and funding of their particular activities.

The DCI is responsible for the production of national intelligence and as such he has a special role in providing Congress with substantive judgments on key intelligence issues. Unless the DCI were to lose his substantive role, organizational changes in the Intelligence Community would not seriously change the DCI's responsibility in this regard or

alter his authorities as the spokesman to Congress. Whatever his management responsibilities under any organizational realignment, the DCI would be under considerable pressure to provide the full range of differing views that exists within the Intelligence Community to the Congress, even though he would also be asked to provide the "best" judgment of the Community as well.

Neither would organizational changes in the Community be likely to affect the DCI's primary role as the spokesman to Congress on intelligence operations, particularly covert action programs. The DCI currently is viewed as the responsible authority in this area, and it is unlikely that even a more definite split between the Director of CIA and the DCI would relieve the DCI of ultimate responsibility in this area of intelligence activity.

III. J. Public Spokesman

There is no formal statutory basis for the DCI to be a public spokesman for the Intelligence Community. Executive Order 11905 and the NSCIDs are silent on this subject. As the senior intelligence officer and intelligence advisor to the President, however, the DCI is viewed by those inside as well as outside the government as the principal spokesman on intelligence issues. The public tends to view it this way because most of the issues that surface publicly are associated with CIA and the DCI as its head.

The DCI is increasingly called upon as the public spokesman to comment on the involvement of intelligence elements in a particular activity, to rebut charges of impropriety, or to comment on substantive issues. DCIs have been forced to go public during periods of controversy and in response to pressure from the press. To relieve public concerns about the propriety of secret intelligence activities, it probably will be necessary for the Intelligence Community to release increasingly larger amounts of its substantive output on an unclassified basis. As Congressional oversight has become more intense and formalized, it has been necessary for the Community leaders to appear before a widening number of Congressional

bodies. There probably will be greater emphasis on open sessions to the extent that they do not seriously affect the necessarily classified aspects of intelligence activities.

Regardless of the organizational configuration of the Intelligence Community, the DCI almost certainly will be expected to continue the trend toward greater openness and to accept a continuing role as public spokesman for the Community. There is little likelihood that he will be able to go back to the "no comment" stance of several years ago. As the DCI gains greater visibility in this role, there likely will be increased criticism that he is stifling disagreement and intelligence judgments that run contrary to the "agreed" position. Coordinated intelligence will draw the fire of those who claim that dissenting views are being suppressed.

In any case, it is neither likely nor desirable that the DCI's voice be the only one heard in the public arena. The DOD can and should continue to present its views on intelligence matters. A primary role of the DCI in this case will be to ensure that the protection of sources and methods is maintained, and it may be necessary to lay down some specific guidelines for the release of information to the public on intelligence matters. But the development of such procedures will not rest on organizational change in the Community.

IV. Summary Assessment

Section II of this report advanced three basic criteria for assessing the adequacy of intelligence management and authority structures:

- a. Propriety of intelligence activities with respect to legal and political standards.
- b. Effectiveness in the provision of needed intelligence to all government users.
- c. Efficiency in the use and mobilization of intelligence resources, particularly the expensive collection and processing resources.

This section attempts to summarize and assess the problems of the Community in meeting these criteria, to determine how DCI responsibilities respecting them compare to his powers and Community structure, to identify causes of problems that may not involve Community structure and authority, and to suggest possible avenues along which improvements could be sought. Specific options for changing Community structure and other innovations are treated in other portions of the response to PRM/NSC-11.

IV. A. Propriety

The intelligence agencies of the US government operate in conformity with the law of the land, the stipulations of Executive Order 11905, special restrictions laid down by the Attorney General in 1976, and other internal regulations and restrictions pertaining to propriety. Mechanisms for assuring proper behavior on the part of intelligence agencies are in place and operative.

But the situation is far from satisfactory. Many segments of US society external to the Intelligence Community entertain doubts as to the propriety of intelligence activities and the general trustworthiness of intelligence agencies. Internal to intelligence, many professionals suffer in some degree from an atmosphere deficient in confidence, trust, and respect for their chosen vocation. Managers and operators must, moreover, contend with uncertainties and conflicts that the new "ground rules" relating to propriety have presented to intelligence.

The DCI's ability to protect the security of intelligence sources and methods is severely limited by the lack of appropriate laws defining and protecting official secrecy in general. But such laws will certainly not be forthcoming unless the laws and regulations assuring the propriety of intelligence activities generate widespread confidence.

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Alone, the DCI has little power to shape this larger environment. Much depends on the leadership of the President and other key officials of the Executive Branch, and on the reactions of the Congress, the press, and the public at large. The DCI has it within his power, however, to take constructive initiatives that could contribute to an environment in which the propriety of intelligence activities is assured, believed, and consistent with effective intelligence operations. He can take measures to rationalize and make more defensible the security and classification policies applied within intelligence. He can lead in the development and promulgation of professional standards relating to propriety applicable to the Community as a whole. With line command of CIA, he can assure that its activities are proper.

Assuring the propriety of intelligence activities is not essentially or even primarily a matter of Community structure or the powers of its leadership. It is rather a matter of political standards, law and regulations, oversight, and professional ethics. But the DCI cannot be held directly responsible for actions of agencies other than those he directly commands.

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IV. B. Effectiveness

Assessment of effectiveness in meeting the intelligence needs of all government users applies basically to production of intelligence in the broad sense, that is, the production of intelligence reports and analyses, briefings, contributions to policy studies, and other forms of information support. This criterion also embraces warning and crisis support. (Assessment of support to tactical-level military decisionmakers is treated in the next subsection.)

Is US intelligence effective in meeting the needs of its customers? Are those elements for which the DCI is responsible effective in meeting those needs? There are, unfortunately, no absolute or simple measures by which to answer these questions. Policymakers dealing with an uncertain world cannot offer any comprehensive or fixed standard of intelligence "sufficiency." Their needs for information and judgment are limited only by their capacity to absorb. US intelligence organizations do fairly well at supplying current news and quick information support. In other areas, customers complain of deficiencies. Those who manage and evaluate US intelligence performance are obliged, therefore, to hear complaints, assess problem areas, and seek to improve where improvement seems feasible and important.

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This brief treatment cannot explore all the problem areas identified by recent assessments of Community effectiveness in intelligence production, e.g., the recent NSC Semiannual Review. A summary list of major criticisms and self-criticisms of intelligence production activity is instructive, however:

a. Intelligence organizations at all levels do not understand consumer needs well and have poor tools for improving their understanding. Consumers, by the same token, only poorly appreciate the capabilities and limitations of intelligence. Producers and consumers are more isolated from each other than they should or need be.

b. Mid- and long-range analysis and estimating is weak, unsophisticated, and generally under-emphasized. Major national estimates are frequently too unfocused, not directly pertinent to policy, and insufficiently sharp in judgment. Producers are not adept at integrating political, military, economic, and technical perspectives on problems that demand such integration.

c. Intelligence conduct of and support of net assessment efforts are inadequate.

d. Users who want fairly voluminous and detailed treatment of problems find many intelligence products

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dominated by summary judgments without supporting evidence, explicit reasoning, and uncertainty estimates. Users who want summary judgments find many products too voluminous with little judgment in them.

e. The Community is short of expert analytical personnel in some new areas of intelligence interest, e.g., political and economic aspects of nuclear proliferation. It also suffers from shortages of trained specialists in traditional areas, e.g., expert Russian linguists and area specialists.

f. ADP and other information support services are falling behind the explosion of information. Analysts do not operate in an environment that gives assurance they have or can get all data available to the US government pertinent to their problem.

g. Analytical organizations resist sustained efforts on the challenge of foreign concealment, camouflage, deception, and disinformation.

h. Warning and crisis support responsibilities are insufficiently netted together to constitute a reliable and efficient system.

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i. All production organizations are beset by fire-fighting demands that inhibit quality analysis on new problems. Much time is spent repackaging old material for new users and changed situations.

j. Too little attention is paid to seemingly mundane, but vital and difficult "bread and butter" analysis, e.g., maintaining and scrutinizing order-of-battle files, studying detailed aspects of the Soviet economy.

k. All analytic organizations are spread too thin. The situation is clearly critical in DIA, where vital national and departmental needs are inadequately met because DIA has too many masters, too broad and unstructured a mission, and too little management flexibility to assemble the quantity and quality of people needed for its job.

l. As a producing organization, CIA is insufficiently attentive to the needs of DOD in general.

There is no "right" judgment as to what complaints ought to be on this list or as to the degree of their validity. The important points are that:

a. these complaints are sincerely voiced and valid to some degree, and

b. they impinge on the entire environment of intelligence analysis and production.

Tackling these problems and improving the overall effectiveness of intelligence production, including the kind for which the DCI is uniquely responsible, does not rest mainly upon structural change or redistribution of management authority. Improvement requires problem recognition and steady management effort at all levels, in all producing agencies. As noted in the previous section, the basic structure of the intelligence production community is appropriate to the provision of effective support to policy-makers. It permits departmental and non-departmental production; it permits the sharing of data and judgments; it permits interagency agreement or disagreement as required.

Efforts to improve intelligence production do, however, have some implications for Community structure, and changes in Community structure sought for other reasons could affect the quality of intelligence production. The following points bear on this issue:

a. The basic structure of the Intelligence Community must afford as close an interaction between analytical activity and collection activity as reasonable security concerns will allow. The efficiency of both activities depends on it.

Present Community structure permits this, and the DCI can encourage it. Alternative structures might or might not be as conducive.

b. The Intelligence Community should have more integrated means of executing its warning and crisis support responsibilities.

c. Some institutional framework or process outside intelligence is required to permit effective intelligence support of national net assessment activities.

d. Unless mooted by restructuring decisions, it would be desirable to resolve the apparent tension between the national intelligence responsibilities of the DCI's NIO mechanism and those of his DDI within CIA.

e. To the extent that the DCI's performance as a national intelligence producer depends upon the performance of departmental production entities, the DCI should have and use some authority over the resource and management factors that influence that performance.

f. It is probably correct, but also probably unprovable, that a significant increase in total Community resources given to analysis and production, at modest cost to collection and processing, would yield visible benefits. Such shifts probably require stronger central authority over Community resources to achieve.

IV. C. Efficiency

Achieving the most cost-effective allocation of intelligence resources is mainly a matter of managing the most costly resources--those for collection and processing. Management proceeds in two time dimensions: the use of existing assets to meet current and near-term needs; and the development of capabilities for the future. In both dimensions the challenge is to provide necessary coverage of target problems and adequate service to consumers, while avoiding unnecessary, particularly duplicative, effort.

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IV. C. 1. Current Collection, Requirements, Priorities, and Tasking

Formal, centralized mechanisms for the guidance of major technical collection operations exist at the national level, under the DCI. These mechanisms -- at the center of which are the DCI's committees, COMIREX for imagery satellites and the SIGINT Committee [REDACTED]

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[REDACTED] -- are structured largely to fit the systems they guide. Their basic task is to broker the needs of information users with the capabilities of collection entities. Problems and frictions arise in the course of their business. But these are manageable in the current structure of the Community. These collection guidance mechanisms are the middlemen of the intelligence process. Their function is not always understood by analysts or users, collectors, or outside critics. One needed improvement is to give the process more visibility.

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Human source collection lacks a formal centralized system of requirement and priority definition. The large and varied array of human source collectors who reside outside intelligence entities and provide a major portion of US foreign reporting resist inclusion in such a system. But some reliable means, even if voluntary, of tying them into

the intelligence process must be achieved if other human assets, particularly clandestine resources, are to be used efficiently. The DCI and his subordinates can cajole and lobby for improvements on this front, but must depend on cooperation outside intelligence for real progress.

The Community lacks a centralized mechanism for "tuning" collection requirements on an all-source basis. Such competence does exist in the collection management, analytical, and operational elements of the Community. Moreover, once one moves beyond the general guidance contained in such instruments as Key Intelligence Questions and DCID 1/2, current requirements management must be done in terms of the specific collection disciplines against specific problems. This does not necessarily lead to undesirable duplication because, while many assets may be targeted against the same problem, they yield different kinds of data on it and thereby produce the all-source picture needed by national intelligence.

It would still be desirable, however, to develop a somewhat more explicit communications network among the major entities of current collection management to give assurance that effective all-source allocation is taking place. Such a network could also provide the basis for developing current or near-term collection strategies against new

collection problems. This entity should not be an additional layer of requirements management between analysts and collectors, but rather a horizontal connective tissue that would allow the DCI, NFIB, NIOs, etc., to know and influence what the total collection community is doing on a given problem.

Difficulties here do not arise so much from lack of DCI authority or from failings of Community structure, although the fragmented structure of the Community has helped to instill in each collection discipline a disposition to want to manage its own affairs with only general guidance. The main difficulties are defining problems and designing workable improvement mechanisms.

One problem of current collection management that has so far defied adequate definition is that of transition from a peacetime to a wartime posture in which major national collection systems, particularly overhead imagery and the total national SIGINT capability, must support military decisionmaking from the President down to the field commander. This problem has become more prominent as reconnaissance satellites have become more able to supply the intelligence needs of military commanders. It vexes debates over Community structure; while one school of thought argues that the DCI should control for reasons

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of rational resource allocation, another argues that the Defense Department must control to provide reliable support to the command hierarchy.

As long as intelligence collection systems not organic to combat forces can provide such support, satisfactory definition and resolution of this problem will not arise from a priori principles. Careful and detailed study, planning, and exercising are required. A major difficulty is that we have not had meaningful practical experience with the presently available array of collection assets in a major military crisis or large-scale conflict involving US military forces. Some general observations could help structure the problem and perhaps avoid errors:

a. Whoever runs or controls the national collection posture of the US in time of war will have to use it not only to serve the needs of military decisionmaking, but also those of top-level political decisionmaking and the conduct of diplomacy. Military needs will likely dominate, but not to the exclusion of other needs.

b. For support of both military and non-military users of intelligence, the problem of collection management in war will be the same as in peace:

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marshalling many different collection systems to serve many different users. The major difference will be the volume and time-urgency of demands placed on these systems.

c. The primacy of military demands for intelligence support is not likely to be challenged in wartime by any collection management system. Most difficulties for any managing authority will arise from conflicts among different levels and kinds of military needs. Managing these conflicts will require system-oriented methods. For example, battlefield coverage by a low-altitude imaging system will impinge on a narrow slice of its daily operations within which priorities among local targets will have to be set on a time-urgent basis. Outside the battle area, priority conflicts are likely to be more relaxed.

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the job of prioritizing among the feasible requirements of military users will be a more crucial consideration than the question of who controls the systems physically and who presides over the

process that injects non-military requirements into the total set of requirements and passes them to the collector.

It may be possible to select among three distinguishable philosophies for managing this problem centrally:

a. In wartime, the Secretary of Defense should manage the collection requirements systems for all assets that can support military operations.

b. The DCI should manage those systems as a service to the military command hierarchy, taking his requirements from the latter.

c. Management of some critical assets should be transferred to defense, depending on the system and the conflict scenario.

Any of these approaches could work, but it is unlikely that any of them would work well until we know in greater detail what national intelligence collection management really means in a wartime context and build working mechanisms appropriate to that understanding.

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IV. C. 2. Assembling Resources for the Future: Programming, Budgeting, and Other Management Powers

A foremost challenge of US intelligence management is to develop the best overall mix of capabilities needed to perform effectively at reasonable cost. This challenge is met in the year-to-year process of funding the major intelligence programs of the Community. How and how well this is done is central to the issues of DCI authority and Community structure.

It should be understood, however, that efficient resource management is more than a matter of structure and authority. The most fundamental problem of intelligence resource management is one that is common to other functional programs in government: there is no management science or comprehensive and orderly set of procedures which may be applied to allocation of intelligence resources. We do not have a rigorous set of measures or procedures for assessing the value of intelligence outputs and the relative contribution of inputs in terms that find general agreement and lead to confident decisions. This problem emerges from the very nature of the intelligence business:

- a. There are no agreed objective measures of output value, since the limits of the needs of intelligence consumers cannot be defined, and there are no ways to quantify marginal satisfaction.

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b. Except in discrete technical areas, the relative contribution of the many elements of the intelligence process cannot be quantified. These contributions are made through highly disaggregated and usually subjective processes within the heads of analysts and evaluators.

c. There is no explicit and comprehensive way to measure the value of, or loss implicit in, unsuccessful effort, i.e., experiments that fail, collection efforts that yield less than desired, analytic labors that do not produce. Consequently, activities that do not appear to result in a product become suspect in a world whose thinking is strongly influenced by cost-effectiveness criteria. And by its nature, intelligence necessitates much effort that is unsuccessful.

These shortcomings of value measurement do not preclude reasoned judgment on what intelligence resources to assemble and how to use them. Such judgments are made all the time. In some aspects of intelligence management, they rest on

quantifiable or explicit rational analysis, albeit with incomplete information. But more often they require successive aggregations of subjective judgment, experience, intuition, institutional preference, and a large measure of arbitrary decision.

In short, resource decisions are the domain of people exercising judgment. Considering the high level of human intervention involved, we ought not be surprised that the decisionmaking process leads to concern about organization and authority structure. For, lacking a science of intelligence resource management that all parties practice in harmony, organizational structure is the most straightforward way to establish the incentives and interests that more or less integrate all the disaggregated decisions that make up resource management from top to bottom. Those responsible for such decisions at the top or center want great authority to structure incentives, give guidance and instruction, and review or correct lower echelon decisions. Those lower in the system typically want maximum independence. Those on the periphery or outside, but dependent on the system, want influence over the parts that interest them. This produces the familiar tension between centralizing and decentralizing forces.

Historically, US intelligence resource management has been largely decentralized, both in the Community as a whole and in the Department of Defense where most resources resided.

But pressures to centralize the process of managing those resources labeled national have been increasing for several years. Going beyond mere instruction, in 1976, E.O. 11905 initiated a relatively centralized process, but one still based on a federated institutional structure and collegial decisionmaking below the President.

The record established in one year of operation under E.O. 11905 is mixed. A consolidated NFIP and Budget were produced. Through unprecedentedly extensive interactions among the members of the CFI, their staffs, and the NFIP program elements, issues were defined, studied, and in some cases resolved, in others deferred. Such issues were initially identified by the program managers, the Intelligence Community Staff (functioning as the CFI staff), OMB, and Congress. Valuable experience was gained at the staff and principal levels in working with this process. A major step forward was taken in forcing programmatic decisions into a process wherein it is possible to justify program inputs in terms of intelligence value across the Community.

But this record was achieved only through a difficult struggle over procedure and substance. At bottom, key players, notably in the IC Staff and the Defense Department, were at odds over the basic goals, the wisdom, and even the legitimacy of this process. E.O. 11905 strengthened the incentives of the DCI's IC Staff to give critical scrutiny to, and to influence the specific contents of, intelligence

programs. At the same time, it enhanced DOD's incentive, growing for some years, to place one central authority, DDI/ASD(I), astride all DOD intelligence equities. These authorities inevitably came into conflict as the former attempted to deal directly with program managers and the latter resisted such attempts.

Although issues examined and decisions made were dealt with in terms of cross-program implications where they could be identified, the 1976 experience did not include a major new effort to accomplish cross-program trade-offs of the most basic sort. The process did not and probably could not come to grips with major shifts of funds among programs and across the elements of the intelligence process, i.e., collection, processing, and production. The CFI did not attempt to redefine the proper contents and scope of the NFIP -- notably, what Defense intelligence program elements should be included and which excluded, according to a systematic examination of each element. It elected merely to accept the NFIP as it found it and to begin making resource decisions from there.

Although opinions differ as to how this record should be read, it is clear that the system worked to a considerable degree and has potential for improvement as more able and experienced staffing of the process is achieved. It is also clear, however, that this system will occasion continued tension and struggle between the participants, especially

the IC Staff and the DOD, unless the rules of the process are better defined.

Certainly, refinement of the programming and budgeting process created in E.O. 11905 is one option for enhancing the integrity of national intelligence resource management in the future. It has the significant virtue of an evolutionary approach that builds on existing organizations and accumulated experience.

As it presently stands, however, the system gives the DCI responsibilities that extend beyond his pure management authority to fulfill. It obliges him to proceed on most matters by persuasion and negotiation. This means that, to a great extent, initiative in the process lies with program elements and with outside critics. As a by-product, this structure places significant strain on the DCI in discharging his dual roles as head of CIA and as Community leader.

* * * *

Deciding on options for Community structure that will satisfy the criterion of efficient resource management requires that certain key issues be addressed:

- a. How much emphasis should be placed on resource management efficiency in structuring US intelligence?

Many would assert management efficiency to be an obviously essential goal. But, it is not obvious that

satisfactory intelligence performance can be achieved at lower than present costs through better allocation of resources. One could argue that declining resources have already put intelligence overall in an inefficiently austere condition, where needed initiatives and improvements are too hard to justify and, hence, are not taken. But the fact that we cannot reasonably show whether particular intelligence efforts are essentially "efficient" should not deter pursuit of a resource allocation regime that emphasizes efficiency. Failure to display a workable system that strives for efficiency and shows results is likely to produce unwise, arbitrary decrements. Moreover, there are numerous specific areas where a rigorous regime can be expected to identify needless duplication and possible savings.

b. What is the promise of better analytical methods, or management science, for improving the efficiency of intelligence resource management?

It is highly doubtful that better analysis on resource issues can substitute for management authority in achieving more efficient intelligence allocations. Improvements can be reasonably expected from better, more consistent data on intelligence activities at all levels, from staffing the resource allocation processes of intelligence more expertly, and from applying more rigorous methods. But in the end, the results will depend on the incentives of the players to cooperate; this depends on the authority structure.

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- c. What is the appropriate scope of the intelligence activities of the US government that ought to be brought under an intelligence management system?

In part, this question is: What should be included in the NFIP? But because intelligence is a shaded continuum of activities, some of which probably cannot be managed as intelligence per se, it is probably necessary to distinguish several kinds of intelligence for resource management purposes, and to accept some arbitrary dividing lines. Different management regimes should probably apply to each. For example, CIA, NSA, [redacted] programs clearly represent a set of assets that are primarily national in nature. Consequently, they ought to be justified in relationship to each other and managed as national assets, despite their contingent value for tactical support roles. Other elements, such as departmental analytical organizations and many collection entities within the GDIP, could be justified primarily in departmental terms, but subject to review, criticism, and stimulation from the national, or DCI, arena because of their value or the extent of their contribution to the national effort. On the other hand, given the rather coarse measures available, distinguishing departmental from national needs is probably not useful in delineating authority and responsibility. Whatever is of departmental interest is also of national

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interest. Yet a third set would seem essentially tactical in character, e.g., assets organic to military combat units. Here the main interest of the national intelligence manager would be to gain the benefit of their existence in ways consistent with their mission but to assume no responsibility for their management.

- d. How much centralizing authority is required for efficient resource management in the national intelligence structure?

Three kinds or levels of authority can readily be distinguished, each level capturing the previous one, except where explicitly compromised by the rules of the chosen management process:

- 1) defining requirements and priorities;
- 2) controlling programming and budgeting; and
- 3) line management, including authority over

personnel and operational control of assets.

Given future uncertainties and long lead times, the DCI's power to define requirements and priorities that apply to future intelligence capabilities is a weak means of controlling resource allocations. Direct influence over programs and budgets is required to effect such control, either by unitary or collegial decisionmaking methods. But even then it may be argued that the uncertainties and inevitable disputes that

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must attend intelligence resource allocations for the future demand, in some cases, the authority necessary to direct subordinate organizations, to make their members willing supporters of the goals of the center. The question, therefore, is: Should the national intelligence resource manager have total line authority over a set of organizations that, from a resource point of view, make up a national whole or are departmental interests in these national components sufficient to require departmental line authority as the only means of insuring continued protection of those interests?

- e. Should responsibility for intelligence resource management be combined with or separated from responsibility for national intelligence production?

Separation of resource management and intelligence production responsibilities might make it easier for the production manager to justify his resources and to concentrate on improving analytic performance. On the other hand, combination of these responsibilities is required if large expenditures on intelligence collection and processing are to be rationalized in terms of their ultimate contribution to intelligence output. If efficient allocation of intelligence resources means anything, it must mean an orderly relationship between inputs and outputs. Separation of analysis and collection management responsibility would make this difficult if not impossible.

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- f. If there is to be a national intelligence manager, with special emphasis on and responsibility for resource management, who should he be and who should he report to? Over what elements should he have line authority, collegial influence, or some advisory responsibility?

This, of course, is the bottom-line issue. It ranges beyond the instructed scope of this report. The relevant options and arguments will be addressed in other responses to PRM/NSC-11.

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9 May 1977

A Reaction to: Draft Paper, "The Role of
the DCI... "(PRM-11, Task 2)

An organizational analysis of the roles of the DCI which contains a total of six passing references in 116 pages to the National Foreign Intelligence Board can be read as betraying a basic ignorance of the nature of the intelligence community which the DCI is intended to lead and a lack of understanding of the role of the community in assisting the DCI in the performance of his primary responsibility, the production of national intelligence.

A non-organizational analysis, which would properly regard no institution as enduring, should concentrate on the DCI's major responsibilities and the authorities he needs to carry out his responsibilities. If he is to be the President's principal foreign intelligence advisor, he is, above all, responsible for the production of national intelligence. He must have the authority to direct the intelligence community's activities in the production of national intelligence with corollary authority to set collection requirements in priority order and to allocate resources as required.

The DCI controls the production of national intelligence with the advice of the intelligence community; the structure of the advisory body is a proper subject for an organizational analysis.

The DCI controls the allocation of resources aimed at supporting the production of national intelligence through an existing structure, which is also subject to organizational analysis.

What needs most careful consideration is the strengthening of the DCI's role by giving him the authority to ensure that what is put in by way of resources is determined by the need to put out national intelligence.

In an organizational analysis, whatever the final result, a re-affirmation of the need for PRC (Intelligence) requires that attention also be paid to the NFIB. Otherwise, an existing flaw will be preserved. Resource allocation cannot remain independent of the DCI's responsibility for substantive national intelligence. The strongest structure would link the two. The DCI could then delegate his authority, but never his responsibility.

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